

## VICTORY IS WON BY TAFT FOR FREE RAW MATERIALS DICTUM TO BILL FRAMERS

Aldrich and Payne Hear President's Ultimatum While Conference Decide to Remove Duty on Iron and Coal.

Revision Downward Defeated, Reduction in Duty on Hides, Country to Hear From Him, Coal and Lumber Is Also Leaders Are Told. Agreed To.

MIGHT VETO MEASURE OR DENOUNCE AND SIGN LEGISLATORS CONVINCED IN SPIKE OF THEMSELVES

Executive Friendly But Positive at White House Talk. White House Arguments Prevail as to Philippines Provisions.

PUBLIC STRENGTHENS HAND PANAMA CANAL BOND ISSUE  
Expressions of Approval Determine Taft to Persist in Demand for Revenue Measure Such as Party Promised. Limit of Authorization of Spooner Act Is Repealed—Wall Street Fearful of Effect—Woolen Schedule Considered.

Tariff conference had a busy day yesterday and made considerable progress. At the conclusion of the last session of the day some of the leaders were inclined to the opinion that a final report may be made to the House and Senate by Friday or Saturday of this week.

The authorization of a Panama bond issue, the corporation tax, completion of the wool schedule, a dip into the cotton schedule and cleaning up of some odds and ends of schedules formed the day's work.

President Taft will win his fight for free or reduced rates of duty on raw materials. Nearly every member of the conference on the tariff bill conceded this yesterday.

The indications are that when the new tariff bill becomes a law the rates on the articles which the President desired to come in free will be as follows:

Iron ore, free (present rate, 40 cents per ton).  
Oil, free (now protected by counter-vailing duty).  
Hides, 7½ per cent ad valorem (present rate, 15 per cent).  
Coal, 45 cents per ton (present rate, 67 cents).

Lumber, probably \$125 on rough, with Senate rates on finished. This would be a material reduction throughout the lumber schedule.

President Makes Good.  
When the conference transferred to the President's shoulders the responsibility of putting raw materials on the free list it was not believed he would meet with success in bringing about a changed sentiment in relation to these articles. For several days, however, members of Congress have been going to the White House, and not a few of them came away convinced that the President was right in insisting that all of these articles could stand lower duties.

It was not believed he would be able to put hides, lumber or coal on the free list. But it was acknowledged that any reduction in rates of the pending bill on these articles would amount to an administration triumph.

In effect, the President was told by the conference that if iron ore, oil, hides, lumber and coal were put on the free list or the rates reduced below the figures adopted in the Senate he would "have to get the votes." It was recognized that it would be impossible to put hides, lumber and coal on the free list if the conference report was to be adopted by the Senate. Neither was it believed rates on these articles could be reduced.

Change of Heart in Senate.  
That a change of sentiment had taken place in the Senate in the matter of free iron ore and free oil was a matter of common gossip about the Capitol yesterday. It was stated just as confidently that the 15 per cent ad valorem rate on hides would have to be cut in half, although some opponents of the proposition of putting hides on the free list are still hopeful of retaining a rate as high as 10 per cent.

Coal at 45 cents a ton, it was declared, would prove satisfactory to every section except Wyoming, which fears that the industry in that state may be ruined by cheap Canadian coal. The railroads are now building from northwestern states to Canada which will tap the Canadian coal fields.

Senator Clark and Representative Mondell of Wyoming are protesting against any reduction from the present rate of 67 cents a ton, in spite of the fact that the Senate adopted a sixty-cent rate. It is understood that the forty-five-cent rate, adopted by the House, is the rate in the existing rate of 15 cents a ton on slack, but that the Elkins amendment, providing that this rate shall apply only to natural slack, shipped as such at the mines, will be accepted.

Taft Dictates for Philippines.  
President Taft will win another decided victory in the Philippine free-trade provision. The subcommittee which has been considering this section has decided to permit the free admission of 100,000,000 cigars annually, as requested by the President. Instead of 500,000,000, as would be admitted under a Senate amendment, adopted at the instance of Mr. La Follette.

(Continued on Second Page.)



THEY'RE OFF!

## ITO WARNS OF CHINA AS WORLD PROBLEM

Great Empire's Growing Unrest Promises to Embroil All Powers in War.

ONLY HOPES OF PEACE IN NATION'S WISE MEN

Frightful Specter of Revolution Looms High on Horizon.

JAPAN AS NEAREST FRIEND

Will Do Utmost to Avert Catastrophe Consequent Upon Grant of Constitution Without Due Preparedness in Flowery Realm.

TOKIO, Tuesday, June 15.—"Korea today is not a source of great anxiety to Japan," said Prince Ito today. "The future of that country depends upon the Koreans."

"The policy I outlined nearly two years ago has been carried out with but little deviation. There is every reason to look hopefully into the future of Korea."

Prince Ito, the great central figure in the political history of Japan, who is retiring from the position of resident general of Korea to take his seat as president of the privy council, was seen in the library of his new residence on the Aomori hill, overlooking Tokyo. Carefully considering his every expression, he introduced his remarks with the foregoing significant statement. Continuing, the prince said:

China Problem for World.  
"China looms large and becomes the problem of the day, not only for Japan, but for the whole civilized world. Consequently it is on China that our best thoughts must be centered and not upon Korea, where, I am glad to say, the wind has been turned into a plowshare."

"Peace in the far east is essential to the prosperity of Japan, Korea and the possessions of this country. We must use our every endeavor to preserve peace."

"It is unnecessary to go into the causes, the effect, or result, remains. 'While statement of each country may understand each other there are problems to be worked out—problems that grow out of misunderstandings, misrepresentations and even intrigues.'"

In letter the terms of the Anglo-Japanese alliance, which calls for co-operation in the maintenance of the integrity of China and a friendly promotion of common interests.

"It is peace we here in Japan want. And peace we must have with peace at any cost, but peace with honor. 'It is the demand for control by the younger and progressive element of China that forms the menace, not first of all to any other country, but to China itself. A constitution is demanded.'"

"It is said a constitution is to be granted. But a constitution without a carefully prepared and organized administration must bring chaos, which means revolution."

Hope in Wise Men of China.  
"This is the specter we see, and that in a way, we dread. But I have high hopes that the wise men in China see it also. And so will save their people and the whole of the far east, and possibly Europe itself, from that frightful condition of war that impoverishes and is the curse of the world."

"To help in bringing about conditions that will secure for Japan and China a long period of friendly intercourse and commerce is an object which we must devote both time and attention."

CHARGED WITH SEDITION.  
Recent Double Tragedy in London Laid at Publisher's Door.

LONDON, July 17.—A. F. Horsley, printer of the Indian Sociologist, was committed for trial today on the charge of publishing a seditious newspaper, the seditious object of which was to support the Indian nationalist movement for the liberation of India from oppressive alien rule by the use of physical force. The editor and proprietor of the Indian Sociologist, Krishnavarma, is now a refugee in Paris, where for some time past he has openly advocated through his paper the aid of British officials. He openly approved the murder of Lieut. Col. Sir William H. C. Wylie, who, with Dr. Cawas Lalca, was killed July 1 by the Indian revolutionaries. He also contains that political assassinations are justified. An incendiary article published a few days before the murders at the Royal Institute is considered here as largely responsible for the double tragedy. The prosecution of Horsley has been undertaken by the attorney general's office.

LATHAM IS CONFIDENT.  
Planist Insists He Will Cross Channel in Airship Before August 1.

CALAIS, France, July 17.—Herbert Latham, the aviator who has announced his intention of making a flight in his monoplane across the channel, has returned here from Paris. The wind was high again today, and as a consequence the proposed flight was postponed once more.

It is stated that Latham has made wagers amounting to \$3,400 that he will cross the channel in his airship before August 1.

LEFFERT L. BUCK DIES.  
Was Associated in Work of Building the Brooklyn Bridge.

NEW YORK, July 17.—Leffert Lefferts Buck, one of the best known civil engineers in the country, who was associated with Roebling in building the Brooklyn bridge, designed two steel arches across the Niagara river from the United States to Canada and had direction of many other engineering works of note in this country and South America, died at his home at Hastings on the Hudson, today, of apoplexy, at the age of seventy-two.

BODY RESTS IN NATIVE LAND.  
High Honors Accorded Remains of Late Actress Mojaska at Cracow.

CRACOW, Austrian Poland, July 17.—The funeral of the late Mme. Helena Mojaska, whose body lay in state in the Church of the Holy Cross for the past twenty-four hours, took place today. High honors were paid the noted actress and the last rites were attended by a great concourse of people. Many Polish societies in the United States sent wreaths, while the cities of Cracow and Lemberg, all the national theaters and the desire for the industrial development of China as her next neighbor and her best market, to observe in spirit as

## TAX EASY TO FIGURE, SAYS WICKERSHAM

Any Corporation Can Do It Which "Keeps Just and True Books."

INCONVENIENT, PERHAPS, BUT NOT IMPOSSIBLE

Application of Levy Not Hopelessly Complicated.

OBJECTIONS NOT COMPETENT

Wall Street Critic Told That There Is No Confusion in Law as to Meaning of "Net Increase Received" and Kindred Phrases.

Declaring that any corporation which "keeps just and true books of account" can make up the return required by the proposed corporation tax law, and meeting other attacks on that measure, Attorney General Wickersham yesterday made public a letter he has written to a Wall Street firm of accountants, who challenged some provisions of the proposed law as "absolutely impossible of application."

A firm addressed is Deloitte, Plender, Griffiths & Co. of New York. Mr. Wickersham advises them that their statement that the law as framed is impossible of application surprises him very much, and that the objections they make are entirely insufficient to support such a conclusion as they express.

Wickersham Gives Views.  
Attorney General Wickersham, who framed the corporation tax amendment to embody the administration's views, meets the objections of the accountants in detail.

"You next object that the proposed law does not impose a tax upon 'profits,' but upon 'the entire net income over and above five thousand dollars received by the corporation, joint stock company or association, or insurance company subject to the law, from all sources during such year.'"

"It has been the uniform practice of the government in framing revenue bills, no adds, 'to require the tax to be paid as of a fixed date, and so far as I have been able to ascertain, in every instance the tax is imposed for the calendar year ending December 31. Such was the income tax law of 1894.'"

"You next object that any corporation which keeps just and true books of account to make up a return such as that required by the proposed law, particularly as the return requires statements of actual receipts and payments, and not, as you recommend, in your communication of expenses 'incurred,' interest 'accrued' and losses 'ascertained.'"

No Confusion of Terms.  
"The Attorney General says he cannot agree that there is any confusion whatever between 'income' and 'income received.'"

"Gross income" in clause two, obviously and necessarily means 'gross income received.' The tax is imposed by clause one upon the entire net income above \$5,000 received from all sources during the year."

## MAGNESS OUT OF JUD

Serves His Term for Desertion From the Navy.

LEAVES FOR WASHINGTON

Receives His Discharge at the Portsmouth Navy Yard.

TAKES DEPARTURE SECRETLY

Four Months Dropped From His Sentence for Good Behavior. Popular With Associates.

Special Dispatch to The Star.

PORTSMOUTH, N. H., July 17.—Charles J. Magness, alias C. J. Hartlove, son-in-law of the late Senator Gorman of Maryland, who has been imprisoned here since November 21 for desertion from the United States Navy while connected with the band of the President's dispatch boat Dolphin, was released today from the United States prison ship Southern. The day and hour of his release was kept strictly secret.

Magness was favored by the officers of the yard and prison ship in getting away from the yard without being seen, for while the usual procedure is to discharge the men at 1 o'clock and send them to this city in charge of a master-at-arms, Magness was allowed to leave the ship in civilian clothes before 8 o'clock this morning, and leave the yard by the main gate at Kittery, where an automobile was waiting for him.

At Kittery he went into a telegraph office and communicated with his wife, who is in Boston, and then he returned to Portsmouth, and then took the next train for Boston for the purpose of meeting his wife. Both he and his wife were expected to return to Washington tonight to enjoy their beautiful new home on Riggs street northwest, which Mrs. Magness recently purchased to surprise her husband.

Deprived of Citizenship.  
It was stated officially at the navy yard that conviction for a United States offense, following a dishonorable discharge from the navy, deprives one of the rights of citizenship. It is said, however, that Mrs. Magness will intercede with the President for a pardon for her husband, and a pardon would restore his citizenship papers restored to him.

Ex-President Roosevelt and ex-Secretary Newberry refused to consider the pardon asked by the prisoner for his release on his conviction. In her endeavor Mrs. Magness appealed to other sources. Her persistence, however, angered the government officials to the extent of the naval authorities being officially notified to administer the same treatment to Magness as accorded the other prisoners.

Magness, when he first came to the prison ship Southern in November, was given the hardest kind of work and no favors were shown him at all, but rather the reverse. Later, when it was seen that he could take his work, he was allowed to do much lighter work, and of late has been in the clothing factory.

Four Months Remitted.  
No information was given out about his release until this afternoon, and then only the fact that he had been discharged after serving eight months of his year's sentence. The four months being taken off for good behavior.

Mrs. Magness did not meet him here, as was expected, and has not been here since he has been in the prison ship, although she has kept up a weekly correspondence.

Magness was immensely popular among his fellow-prisoners. A good talker and a pleasant actor, he was popular through his versatility, was the factor in all pleasures aboard ship. Ever since his confinement he has been the recipient of hundreds of letters and gifts of fruit and flowers and delicacies daily from his mother-in-law and his wife.

At the residence of Mrs. A. P. Gorman, at Vermont avenue and L street, it was stated last night that Mrs. Magness was in Washington and had not gone to New England to meet her husband. No information would be given out as to where she could be seen, whether her husband was coming to the city or where they intended to take up their residence.

STRIKE FAILS TO STOP TRAFFIC

Mexican Train Dispatchers Quit, But Places Are Filled.

MEXICO CITY, July 17.—The train dispatchers of the railroads of Mexico went on strike this morning, but traffic has not been interrupted. The management of the railroads claims that the places of the strikers have been filled. The conductors and engineers have refused to take part in a sympathetic strike.

Many Barrels of Oil Burned.  
Serious Fire Rages in Bartlesville (Okla.) District.

BARTLESVILLE, Okla., July 17.—A serious fire raged here today after two tanks, each containing 55,000 barrels of crude oil, belonging to the Prairie Oil and Gas Company had been destroyed. A cannon was used in an endeavor to check the flames. The fire started yesterday by lightning striking a tank. The Creston Oil Company has also lost one tank, the Matson Company one, and much other property in the district has been destroyed.

Death Halts Reception Plans.  
NAPLES, July 17.—The American cruisers North Carolina, New York and Montana left here today. The recent death of Ensign Hugh Kerr Aiken of the North Carolina, as the result of three feet of length in a explosion of coal gas on board the cruiser put a stop to the festivities arranged by the local authorities in honor of the visiting warships.

Will Try to End Tin-Plate Strike.  
ELWOOD, Ind., July 17.—Charles F. Woerner, state labor commissioner of Indiana, has arrived and will endeavor to settle the strike in the tin plate plant here.

Crooks Find It Easy in Paris.  
PARIS, July 17.—The American and English crooks, who recently swindled an American official of the Philippines out of \$1,000 by means of the old "Pope's legacy" game, are well known to the police. Consul General Mason has on several occasions asked the authorities to drive them out of the city, as many visiting Americans have become their victims, but the police have declined to interfere on the ground that the persons swindled confide their money voluntarily to the schemers.

## AEROPLANE STAYS UP

Flight of 16 Minutes 53 Seconds Accomplished at Last.

DIFFICULTY IN STARTING

Balance of Machine Blamed for Failure to Rise Properly.

WRIGHTS' SPEED PREDICTION

Promise to Make Forty Miles an Hour on Straightaway Course.

With just two weeks left in which to complete his official tests, Orville Wright went into the air at Port Myer yesterday afternoon and made a flight of sixteen minutes and fifty-three seconds.

It was the best flight that had been made in the trials this year. The machine showed more as it was expected to do before the brothers came to Washington for their unexpectedly long-drawn-out battle with adverse conditions.

Probably 1,000 people were around the drill field, in spite of the many previous disappointments.

Orville looked more solemn than usual in a dark brown suit and a green cloth cap. Wilbur, the inseparable, had on a light gray suit and a straw hat.

Though the postponed trials of the airship have surely become a serious trial on their serenity, both smiled quietly over the feats of Glenn Curtiss in New York, and noted in the comments that flights over an unmeasured course were not the thing by which to judge the performance of a machine.

Chance to Compare Flies.  
Asked what they thought of the chances of the American entrant in the international aeroplane races at Reims, they said he would have to meet there at least one of their own type of machines, and that it would be a good chance to judge of the difference between them.

It has been rumored among the crowd that Orville would try to beat the year's record established yesterday by Curtiss. But the brothers said they were not sure there were no other aeroplanes flying.

They have a new machine to deliver to the government. They are taking no chances with it.

Orville said before he went up that he was simply going to work out the bearings a little more. He would be up "about fifteen minutes," he said.

As a matter of fact, he was up nearly seventeen minutes and made fifteen and three-quarter circles of the field. His course varied in size from time to time and it was useless to try to estimate the speed.

Forty Miles Predicted.  
But the machine unquestionably flew faster than it has done in any previous trials. After the flight, when Orville was asked if he had been doing forty miles an hour, he replied that the aeroplane would do better than forty miles on a straightaway flight.

This is the prediction that has ever been wrung from the aviators.

The flight showed the brothers have built close to the line in producing a fast machine. The engine strapped to their command. The machine will fly when it gets into the air, and when it does fly it is fast. How close it comes to not rising in the restricted space of the drill field was shown by the failure in making the first start.

The machine was lengthened to about eighty feet. The weight dropped from the top of the starting derrick had 165 pounds added to it. When the machine was brought to the high point at the first trial the front rudders were, as usual, except that they had two little semi-circles of canvas on them instead of one.

These small, vertical planes act something like the centerboard on a boat and prevent the machine from being too much leeward when a turn is made.

Difficulty in Starting.  
The aeroplane was started at 6:29 o'clock and rushed down the rail with the added impetus of the heavy falling weight to what looked like a good start. But it was not.

Orville Wright, explaining it afterward, said the front of the machine was too light and that it left the starting rail before the lower end of the engine strapped to their command. The machine will fly when it gets into the air, and when it does fly it is fast. How close it comes to not rising in the restricted space of the drill field was shown by the failure in making the first start.

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